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UNCLAS COTONOU 000326

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E.O. 12958: N/A  
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SUBJECT: BENIN ECONOMIC NEWS: JUNE-JULY 2009

REF: COTONOU 257

#### WORLD BANK SUPPORTS ACCESS TO ENERGY IN BENIN

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1. On June 23, 2009, the World Bank approved 35 billion FCFA (USD 70 million) of credit to support the financing of projects to improve access to energy in Benin. The projects include improvement of access to electricity, construction and extension of electric grids, rehabilitation and reinforcement of the network of SBEE (the Beninese parastatal Electricity Corporation), improvement of the efficiency of energy services in urban areas, extension of electricity supply to rural areas, and sustainable energy services to energy consumers through the improvement of self-financing and the performance of energy organizations. The loan is financed by KfW (Kreditanstalt fuer Wiederaufbau, the German Development Bank), the Global Environment Facility, Energy Sector Management Assistance Program, and the French Fund for Global Environment. Joseph Baah-Dwomoh, the World Bank Representative in Benin, stated that the approved project is part of the financing partners' strategic assistance to Benin and supports the implementation of the Benin National Growth and Poverty Reduction Strategy.

#### BENIN TO EXPLOIT OFF-SHORE OIL FIELDS

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2. On June 23, 2009, the GOB and "la Compagnie Beninoise des Hydrocarbures", an affiliate of "Societe Africa-Petro", signed a joint agreement on oil production. According to the Minister of Mines and Oil Research, Barthelemy Kassa, the compact will permit the exploitation of the oil fields Fifa-1 and Hihon-1 within 18 months. Kassa noted the agreement will create jobs for Beninese and enable the GOB to collect a 12 percent tax on oil exports.

#### EU TO SUPPORT ROAD REHABILITATION

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3. On July 2, 2009, the European Union (EU) and the GOB signed a 43 billion FCFA (USD 91.5 million) credit to support the partial financing of the rehabilitation of the Parakou-Beroubouay Road, a section of the road network linking the Port of Cotonou to the border of Niger. This sum represents about 54 percent of the required 80 billion FCFA (USD 170 million) for the 143 km (about 90 miles) of this road. The rehabilitation of the Parakou-Beroubouay Road is within the framework of the GOB's policy to become a reliable logistics platform of trans-shipment to the north from the West African coast. The EU is particularly committed to regular maintenance of the national road network, which requires optimized programming and efficient execution of maintenance work. The EU cautioned that real improvement of the road network could not be achieved without monitoring cargo weight at check points. The EU is hopeful that the GOB will take appropriate action to prevent overloaded trucks from using the country's roads.

#### COUNTERFEIT AND PIRACY WORKSHOP

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14. From July 6 to 11, 2009, the World Customs Organization (WCO) hosted a regional workshop on counterfeiting and piracy in Cotonou. The workshop aimed to provide technical tools to customs agents in their fight against what is becoming known as the "crime of the century." The seminar included participants from West and Central Africa. In his opening address, Christophe Zimmerman, the WCO's Intellectual Property Expert, said "Most of what is sold in Africa is counterfeit, and you are probably wearing some counterfeit garments." He added that counterfeit products are flooding the African continent because of low per capita income and the incapacity of authorities to arrest counterfeiters and confiscate counterfeit goods. Zimmerman urged African leaders to tackle counterfeiting because it constitutes unfair competition, deters private initiative, and wipes out local industries. The participants exchanged their views and experiences in their respective countries and devised draft legislation to combat the counterfeiting phenomenon. The seminar focused particularly on counterfeit cigarettes, pharmaceutical products and objects of mass consumption.

15. Seminar participants recommend updating the customs laws of each represented country to include counterfeiting and piracy as an offense, as well as strengthening cooperation between regional customs administrations to combat counterfeiting and piracy efficiently. The participants also encouraged the formation of airport and sea port task forces made up of customs officers and copy right representatives. Capacity building of customs officers and counterfeiting and piracy awareness programs are recommended.

#### THE BOAD TO SUPPORT THE RENOVATION OF HOTEL MARINA

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16. On July 7, 2009, the West African Development Bank (BOAD) and the four-star Marina Hotel in Cotonou signed a 3 billion FCFA (USD 6.4 million) credit agreement in Lome, Togo. The loan is intended to finance the renovation and extension of the hotel, which includes increasing its capacity from 200 to 250 rooms.

#### PRESIDENT YAYI VISITS CUSTOMS OFFICERS

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17. On July 17, 2009, President Yayi visited customs officers at Hilla-Condji on the Benin-Togo border in south-east Benin, to boost morale and to enquire about challenges facing customs officers. Second only to the Port of Cotonou, this border customs unit increased its performance by 13 percent over expected customs revenue in the first quarter of 2009. According to the Director General of the Customs Administration, this performance could have been even higher, if his colleagues did not have to contend with a number of obstacles. These include lack of personnel, insufficient truck parking, inadequate equipment to assess goods from Togo and Ghana, and the absence of a computer network linking border posts with headquarters. The President reassured customs officers that he would do his best to improve working conditions to better their performance.

#### COTTON

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18. On July 17, 2009, the Minister of Agriculture, Animal Husbandry, and Fishing, Gregoire Akofodji, held a working meeting with cotton stakeholders. The objective of the meeting was to reiterate President Yayi's cotton production target of 600,000 metric tons by 2012. On behalf of his colleagues, Patrice Talon (a heavily invested stakeholder) reassured the Minister of his determination to attain the production objective. Talon noted that there was no discrepancy between the interests of cotton stakeholders and that of the GOB because they will lose their investment if production does not increase. Talon warned that if the comportment of some of the stakeholders does not change, the 2012 target will remain an empty slogan. The participants in the meeting drew Minister Akofodji's attention to poor training of agricultural technicians and practices of malfeasance rampant in cotton farmers' organizations. They accused these organizations of thwarting the production objective by embezzling farmers' revenue and diverting agricultural inputs destined to the producers. In spite of an overall ginning capacity of over 600,000 metric tons, Benin's cotton production has decreased

from over 400,000 metric tons in 2005 to 210,000 metric tons in  
[2008](#).

BOUSTANI